Here's What Is Going On With The Federal Incentive

The Chevy Blazer, pictured above, is one example of a vehicle losing the incentive.

Most EVs Lose Federal Incentive Eligibility

Unsurprisingly, as we have been forecasting for months, many EVs lost eligibility for the federal IRA incentive. This is due to the step-up in battery critical minerals sourcing and battery component manufacturing requirements, as well as the first half of the implementation of the foreign entities of concern rule. EV advocacy groups, manufacturers, and others have provided input to the Treasury Department during the public comment periods as this was all foreseeable. But not many changes were made.

Below is the list of every BEV and PHEV that is incentiveeligible as of January 4. This is fluid, and vehicles that have lost eligibility can regain it at any time. Manufacturers are wrangling their supply chains to become IRA-compliant as quickly as they can. These are screenshots directly from the Department of Energy (DOE) Website. We advise checking the DOE website for updates if you are in the market as it is updated continuously. We expect to be in this period of volatility for a couple of years.

BEVs

Make	Model	Model Year	Vehicle Type	Credit Amount	MSRP Limit	Eligibility
Chevrolet						
	Bolt EUV	2022-2023	EV	\$7,500	\$55,000	Check VIN
	Bolt EV	2022-2023	EV	\$7,500	\$55,000	Check VIN
Ford						
	F-150 Lightning (Extended Range Battery)	2022-2024	EV	\$7,500	\$80,000	Check VIN
	F-150 Lightning (Standard Range Battery)	2022-2024	EV	\$7,500	\$80,000	Check VIN
Rivian						
	R1S Dual Large	2023-2024	EV	\$3,750	\$80,000	Check VIN
	R1S Quad Large	2023-2024	EV	\$3,750	\$80,000	Check VIN
	R1T Dual Large	2023-2024	EV	\$3,750	\$80,000	Check VIN
	R1T Dual Max	2023-2024	EV	\$3,750	\$80,000	Check VIN
	R1T Quad Large	2023-2024	EV	\$3,750	\$80,000	Check VIN
Tesla						
6000	Model 3 Performance	2023-2024	EV	\$7,500	\$55,000	Check VIN
50	Model X Long Range	2023-2024	EV	\$7,500	\$80,000	Check VIN
	Model Y All-Wheel Drive	2023-2024	EV	\$7,500	\$80,000	Check VIN
	Model Y Performance	2023-2024	EV	\$7,500	\$80,000	Check VIN
	Model Y Rear-Wheel Drive	2024	EV	\$7,500	\$80,000	Check VIN

PHEVs

Make	Model	Model Year	Vehicle Type	Credit Amount	MSRP Limit	Eligibility
Chrysler						
	Pacifica PHEV	2022-2024	PHEV	\$7,500	\$80,000	Check VIN
Ford						
	Escape Plug-in Hybrid	2022-2024	PHEV	\$3,750	\$80,000	Check VIN
Јеер						
5000	Grand Cherokee PHEV 4xe	2022-2024	PHEV	\$3,750	\$80,000	Check VIN
	Wrangler PHEV 4xe	2022-2024	PHEV	\$3,750	\$80,000	Check VIN
Lincoln						
	Corsair Grand Touring	2022-2024	PHEV	\$3,750	\$80,000	Check VIN

There are some notable absences here, such as the two less expensive trim levels of the Tesla Model 3, every GM vehicle not named Bolt, and the Ford Mustang Mach-E to name a few.

Notice what is listed to the right of each MSRP: "Check VIN." The DOE website is intended as a general guide, but the determination for a specific vehicle is made at the level of, well, the specific vehicle. Manufacturers must register eligible VINs with the Treasury. Consumers must list the VIN on their tax return and are able to check VIN eligibility on the DOE website.

Same Model, Different Incentive

Different vehicles of the exact same make/model/model year can have different incentive eligibility. It could be due to changes in manufacturing supply chains during the model year. It could be timing, as model years are most frequently introduced in the fall, but the requirements change on January 1. The eligibility is also based on the "date placed in service," which is the date the consumer takes possession. An eligible vehicle on December 31 may no longer be eligible on January 1. (Part of our input was to align the requirements with model year to minimize this. Manufacturers suggested at least basing it on the date of manufacture.) Finally, as foreign automakers stand up manufacturing in North America, there can be a mix of imported and domestically produced vehicles of the same model, potentially on the same dealership lot.

Yellow Flag

If a vehicle is purchased from inventory, there is a VIN. But for build to order purchases, there will not be a definitive incentive eligibility determination until the VIN is available, which is often a short time before delivery. In a dealership environment, where salesperson EV knowledge can be lacking, consumers will need to be vigilant. We wish there were an easier answer.

GM Workaround

GM lost incentives for all its EVs other than the soon to be discontinued Bolt but is discounting those previously eligible vehicles by \$7500 until they regain eligibility, as reported by <u>Reuters</u> and others. GM attributed the incentive setback to minor components which are being re-sourced and expected fairly soon. Anyway, a discount is even better than an incentive because it also reduces the sales tax.

Reminders

None of this incentive mishegoss applies to leased vehicles. However, the seller has discretion regarding whether to pass along the incentive.

The transfer provision goes into effect this month. Tax credits can be transferred to the seller with the consumer

receiving a point of purchase rebate. It also benefits buyers who would not otherwise have enough tax liability to burn off a tax credit.

Tesla Store Grand Opening at Mohegan Sun

Photo above — Mohegan Sun President Jeff Hamilton cuts the ribbon in front of the Tesla store

Tesla Store Opens on Tribal Land

It has been a long time coming. Finally, Connecticut consumers have a place to go to buy a Tesla and, importantly, take delivery without leaving the state. The new Tesla store at Mohegan Sun is open for business and delivered its first vehicles today. This will help alleviate the crush many of us have experienced at the Mt. Kisco, NY delivery center that we have been forced to go to in order to get our vehicles. It also simplifies the registration process — no more temporary plates.

All deliveries for CT will be at Mohegan Sun. It is a longer distance for residents of the western portion of CT than MK.

The center will have a sales staff and offer test drives, aside from making deliveries.

Federally recognized tribes have sovereignty and the state franchise laws do not apply. These laws have thus far prevented Tesla and other EV manufacturers (Rivian, Lucid, and Fisker with more on the horizon) using the direct sales model from opening stores in CT. The tribe makes its own laws. The Tesla store will be open 7 days a week.

Tesla has a service and leasing center in Milford, CT. Consumers are able to take test drives there as well.

Who Didn't Show? Elected officials.

Several elected officials, including the governor, were invited to the ribbon cutting. None came. Like Tesla opening a CT store, this is another historic first. Since when do pols not show up for a ribbon cutting? (Governor Lamont did issue a statement that called the center good news for consumers.) This illustrates how divisive the direct sales issue is – in Hartford. Among consumers, the issue polls 80 – 90% favorable.

75 Destination Chargers, Going to 100+

Mohegan Sun reports that sustainability initiatives are a major part of its commitment to economic growth, tourism and community support. Jeff Hamilton, GM of Mohegan Sun, who described sustainability as part of the tribal cultural heritage, announced that its collaboration with Tesla includes the installation of Tesla destination chargers, which will be in all 3 parking garages and number 75 in total when the installation is complete in the late summer of 2024. Future plans call for an expansion to over 100.

A Big Day But Only A First Step



Lori Brown of CTLCV

Zach Kahn of Tesla

Lori Brown, the Executive Director of the Connecticut League of Conservation Voters, noted that today's event is a win for the environment but that given the climate crisis, we cannot act fast enough. Speaking of direct sales, she noted that "we need to adopt and harmonize laws to get there."

Zach Kahn, Tesla Senior Policy Manager, East Region, noted the importance of how this facility contributes to sustainable development in eastern Connecticut. He also noted that the state is not nearly on pace to meet its stated goal for EV adoption. (The EV Club agrees with him on this point. The state's target is for 500,000 registered EVs by 2030 and we only have 36,269 now.)

Tesla and Mohegan Sun also noted their tribal workforce development initiative with Tesla jobs in the offing, an important, if sometimes overlooked, benefit.



EV Club in front of the new Tesla Store. From left to right – Paul Braren, Will Cross, Phil Levieff, Bruce Becker, Barry Kresch, Demetrios Spantidos, and Lori Brown of CTLCV

It was a good day! The EV Club was glad to be a part of it.

New Policies for Westport EV Chargers

Photo of Baldwin Parking Lot in downtown Westport

No More Free Juice

It shouldn't come as a surprise. It was not expected that taxpayers would fund free charging forever.

Baldwin was the catalyst, but the policies described below are intended to apply to all town-owned parking areas, and going forward planning for parking includes consideration for EV charging.

The Board of Selectwomen today approved a charge of **\$.35 per kWh**.

Baldwin is a timed lot, and the 3-hour limit applies to the EV spaces as well. There will be a 15 minute grace period before the vehicle is assessed an idling charge of \$10/hour, billed in 15 minute increments.

If a vehicle pulls into one of these spaces with a neardepleted battery, 3 hours will not be enough to fully charge it. If the vehicle has an onboard charger of around 11 kW, some back of the envelope calculations indicate that it will be able to get about 30 kWh of charge, equating to roughly 130 miles of range, for a cost of \$10.50.

Chargers at the town's two train stations are exempted from any idling charges.

The charging spaces are for EVs that are charging only. Aside from combustion (ICE) vehicles, it is not permitted for an EV that isn't charging to use one of these spaces. Citations will be given. We don't know what the penalty will be, but currently if an ICE vehicle parks in an EV space at the train depot, a \$25 fine is assessed.

The new policies will go into effect in January. Free juice reigns for the holiday.

12 chargers, 80-amp units (powerful for AC), have been installed at Baldwin with infrastructure for 12 more for when the time comes. The incentives available through Eversource provide for this kind of future-proofing. The chargers have J-1772 connectors.

Contretemps

Whenever public chargers are installed, it seems to generate some level of controversy.

We hope that nobody thinks installing public chargers is a bad thing. Given the importance of EV adoption in reducing greenhouse gases and other pollutants, and ongoing consumer concerns about range anxiety, public chargers are needed. These can be the powerful DC fast chargers, usually located along highway corridors, but also the less expensive level 2 AC chargers, such as those in Baldwin, in locations where there is more dwell time.

EVs currently account for about 7% of all vehicles registered in Westport. While Westport residents will no doubt use the chargers, it would be a mistake to think that all shoppers/diners are from Westport and that everyone in Westport has access to home charging.

Prime Access

These chargers are located near the front of the lot. It is common to see EV chargers located in what might be considered the prime spots for a parking lot or a building. We have heard the term "elitist" used to characterize this practice. The much more pedestrian explanation is proximity to the power source. Installing the chargers at the back of the lot would require more trenching and would be more expensive. (In a newbuild situation, it is much easier to do this.)

In the EV community, most would prefer if the chargers could be located toward the "back of the lot." Less tsuris.

Ongoing Evaluation

Since being energized, the chargers have been busy. Who

doesn't like free? Topping off may become a less frequent behavior when there is a fee that is higher than charging at home, plus an idling fee. These chargers are connected via the EVConnect service, as all town chargers either are or will be, and charging data, along with consumer feedback, will be used to inform future charger-related decisions.

Charging per kWh

As noted above, the fee is based on the kWh consumed in a given charge. Public EV chargers typically charge either using this method or by the minute. We think a per kWh fee is inherently fairer. You pay for what you use and slower charging vehicles are not penalized.

EV Club 2023 – Year in Review

2023 was a notable year for the club as it produced a fully subscribed symposium and began a partnership with People's Action for Clean Energy (PACE).

Northeast Electrical Vehicle

Symposium

The EV Club produced its first conference, along with an EV showcase, in conjunction with the CT Tesla Owners Club. It was fully subscribed and is planned to be an annual event. It was hosted at the zero-emissions, LEED Platinum Hotel Marcel in New Haven, and covered topics ranging from the Advanced Clean Cars regulations to electrifying one's home, EV incentives, utility programs, local EV-friendly zoning and a keynote from You-Tuber Out of Spec Dave. Recap <u>here</u>.

PACE

We have been working increasingly closely with the PACE (People's Action for Clean Energy) organization. Our collaboration began with data, as we contributed the vehicle data we obtain to the data they use to analyze municipal energy use. This is a service that PACE offers free to any municipality – they'll quantify energy use and show where there are opportunities to decarbonize.

We are aligned on policy as both organizations support direct sales, regulations for clean vehicles, the Energy Data Bill of Rights, and expanded distributed and shared solar.

We support each other's events. This allows each of us to improve coverage throughout the state.

PACE offers a number of services for communities, including supporting HeatSmart campaigns for heat pump adoption, help with solar canopy siting, and data on building efficiency.

Finally, PACE has also been giving the club some financial support. We may be a volunteer organization, but we do have expenses! They also accept donations on our behalf. Go <u>here</u>. After clicking on an amount, you will go to a page that allows you to designate how you would like the donation to be used. Choose "create your own," and type in "EV Club."

First Responders

The EV Club continues to support our first responders when they hold EV training events. This year we worked with Fairfield, Windsor Locks, Northville, and Middlebury.

Incentives

Incentives are now more numerous, more complex, and a moving target. We decode them and keep up to date with changes for the federal and state EV purchase incentives, as well as the charging incentives offered by the utilities. This is our <u>incentives</u> page. We have worked with a number of individual members to sort through these and help with questions. We also had the opportunity to speak at length with Eversource regarding how to operationally improve the consumer experience with respect to incentives and dealing with voltage sags and transformer sizes that could limit solar production.

Our near term outlook is that the Foreign Entity of Concern rules, the first half of which take effect in January 2024, will cause a reduction in the number of incentive-eligible EVs.

The other important near term item is the transfer option. This enables the consumer to obtain the incentive as a point of purchase rebate rather than a tax credit. The consumer has an option to do one or the other. Aside from getting the incentive sooner, it also enables people who do not have the tax liability to burn off a tax credit to be able to utilize the incentive.

EV Showcases

We continue to support as many EV showcases as we can by helping to publicize the events, and recruiting owners to exhibit their vehicles. We encourage all EV owners to participate in these as it is a great way to discuss the virtues of driving electric and leave out the politics. We also supported and participated in events by Electric Car Guest Drive in New York.

The Club itself staged 2 showcases, one in May and a second in September as part of the Symposium. We were happy to include a Tesla Model Y patrol car owned by the Westport Police. We thank the CT Tesla Owners Club for working with us on these and for arranging for Tesla to give test drives.

If you would like us to post your showcase event, please see this <u>post</u> about the information we need.

Speaking Engagements and Tabling

- Stonington Energy Fair
- Fairfield Warde High School
- Interreligious Eco-Justice Network Forum on Advanced Clean Cars II, Greenwich
- Central Connecticut State University

Zoom Meeting Presentations

- SPAN smart panels what they're about and what is involved in installing one in your home
- Renowned teardown artist and automotive engineer, Sandy Munro, tells it like it is
- IRA deep-dive into the EV incentives

Policy/News

- Rivian, after fending off a dealership lawsuit, has broken ground on a service center in Shelton.
- First Tesla <u>Magic Dock</u> in CT.
- Participation continues with the national Electric
 Vehicle Association Policy Committee.

- The last couple of years have been difficult regarding state level environmental legislation. Advanced Clean Cars II is stalled. It is possible it may come back but not certain. We continue to support a direct sales bill and the Energy Data Bill of Rights.
- EV Club CT had a presence at the <u>Cybertruck Reveal</u> Event.
- EV Club is happy to work with municipalities on EV charging, such as the new installation of 12 level 2 chargers (80 amp) in <u>Westport</u>.

EV Club Invited to Grand Opening of Tesla Sales and Delivery Center

This is the facility that is being built on tribal land at the Mohegan Sun Casino complex. The event is 12/20 and registration is <u>here</u>.

Much of the reporting in the mainstream press about this facility labels it as a loophole or a way to skirt the law. We believe this to be a mischaracterization. Tesla is *following* the law. Federally recognized tribes hold sovereign power on tribal land. It is up to the Tribal Council to approve such a facility and they don't run scared from dealerships.

Data

We were able to bring the <u>EV Dashboard</u> back, tracking the level and characteristics of EV adoption in Connecticut. Access to data was granted courtesy of Atlas Public Policy, but sourced from the Department of Motor Vehicles.

Continued tracking of EV <u>rebates by dealership</u>, which is our proxy for which dealers are EV-friendly (applicable, obviously, only to those that sell CHEAPR-eligible vehicles). This typically gets updated around March of each year — it depends on when the data get published by DEEP.

Videos!

Find them on our **YouTube channel**

- New electric police patrol cars in Westport and Wethersfield (Tesla Model Y and Ford Mustang Mach-E, respectively)
- Owner video Andre and his Polestar 2
- Fairfield First Responder EV training
- Sandy Munro and Corey Steuben riffing about all things EV and batteries (Meeting recording)
- Inflation Reduction Act Deep Dive (Meeting recording)
- Tesla Magic Dock Closeup
- Smart Panel discussion with SPAN (Meeting recording)
- Hotel Marcel Tech Deep Dive Bruce Becker, Paul Braren, Will Cross

Banning The "Ban With No Plan" Is Not a Plan

Global Temperature Rise is Already 1.2 degrees Celsius above baseline

The reporting coming out of COP 28 is that the mean temperature is already 1.2 degrees Celsius above the preindustrial baseline and headed to exceed the critical 1.5 degree threshold by the end of this decade. With 10 months of data in hand, 2023 has already been declared the hottest year on record by a margin comfortable enough to be "safe" regardless of what happens in November and December. There is urgency here. It is not just about whether change will happen but how fast.

Transportation Is Low Hanging Fruit

We have to decarbonize everything, but some sectors of the economy are a heavier lift than others.

- Extracting CO2 from the atmosphere and sequestering it in concrete: hard
- Producing enough green hydrogen to power heavy industry: hard
- Aviation: hard
- Ground transportation: relatively easy.

In Connecticut, the transportation sector is the responsible for a larger amount of greenhouse gas (GHG) emissions than any other at about 38% of the total, as reported by the Department of Energy and Environmental Protection (DEEP). EV models are becoming more plentiful all the time and generous incentives are available for purchase and charging.

Advanced Clean Car Regulations II

Connecticut, which has been following California vehicle emission rules for ~20 years and is a signer of the Zero Emissions Vehicle Memorandum of Understanding, has been going through the process of adopting the second phase of the California standards. The first phase expires in 2025.

These regulations, which apply to all classes of vehicles (the earlier regulations only applied to light-duty vehicles) would dramatically lower GHG, as well as particulate matter and nitrogen oxides. Aside from climate benefits, there are significant public health and economic benefits. CT suffers from terrible air quality, and we have the asthma rates to prove it.

A more detailed description of ACC II benefits with data are in this earlier <u>post</u>.

The regulations would require the phasing out of the sale of new internal combustion (ICE) light duty vehicles (and reducing the proportion of ICE heavy duty vehicles) by 2035. A portion of the EVs are permitted to be of the plug-in hybrid variety. ICE vehicles already in the fleet are not banned, nor are sales on the secondary market. It does, however, provide opponents a convenient line of attack as a "ban on gas cars."

Phase 2 of Advanced Clean Car Regulations Blocked by Legislative Regulation Review Committee

Against this background, the legislature has blocked ACC II. The final step of the approval process, the step that follows legislative authorization, DEEP rule making, public comment, DEEP response, and a determination of legal sufficiency by the Attorney General's office, is for a bipartisan legislative committee to make a determination regarding whether the regulations comport with legislative intent. The remit of the committee is narrow, but a GOP-led effort took it upon themselves to decide to overrule what had been authorized.

The bipartisan committee is made up of 8 members of each party, unlike the legislature as a whole where the Democrats hold a 2:1 edge. The regulations needed at least a tie vote to pass but all of the Republicans were against it and two Democrats, reportedly Senators Osten and Hartley, were wavering with at least one being a likely negative vote. With prospects cloudy, the governor pulled the regs before the vote.

It's Not Over

The legislature could still authorize it. Democratic leadership will take the temperature of the caucus early in the coming week and then decide whether to raise it before the full body. The outlook isn't particularly encouraging at this point.

Freedom!

House Minority Leader Vincent J. Candelora, R-North Branford, an opponent of the regulations, as reported in the CT Mirror, said, "This is about protecting the residents of Connecticut and providing them choice."

It feels good to know we are now protected, that we have the freedom to breathe dirty air, the freedom to do nothing to mitigate climate change, and the freedom to signal that new green economy jobs should go to other states.

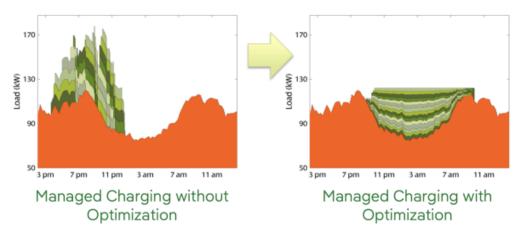
In effect, Mr. Candelora and his colleagues are saying, "Let the market drive EV adoption," a.k.a. the "business as usual case." The point of policy is to accelerate the curve faster than BAU. A GOP flyer labels this the "ban without a plan." This removes the context because, in fact, there is a plan. These are a few points regarding objections raised about the grid, charging infrastructure, and EV costs.

Grid

- As we move to a carbon-free society where everything is electric, it will be necessary to upgrade the grid. That is why DEEP and the Public Utilities Regulatory Authority (PURA) have a grid modernization docket.
- EVs are relatively grid-friendly since so much of the charging is done at night, during off peak times. This is a slide from the presentation that United

Illuminating gave at the Club's <u>Northeast Electric</u> <u>Vehicle Symposium</u> in September illustrating the benefits of off-peak EV charging: Managed Charging

Load Optimization



 There is already a program in place that incentivizes Eversource and UI customers with home charging to charge during off-peak periods.

Charging Infrastructure

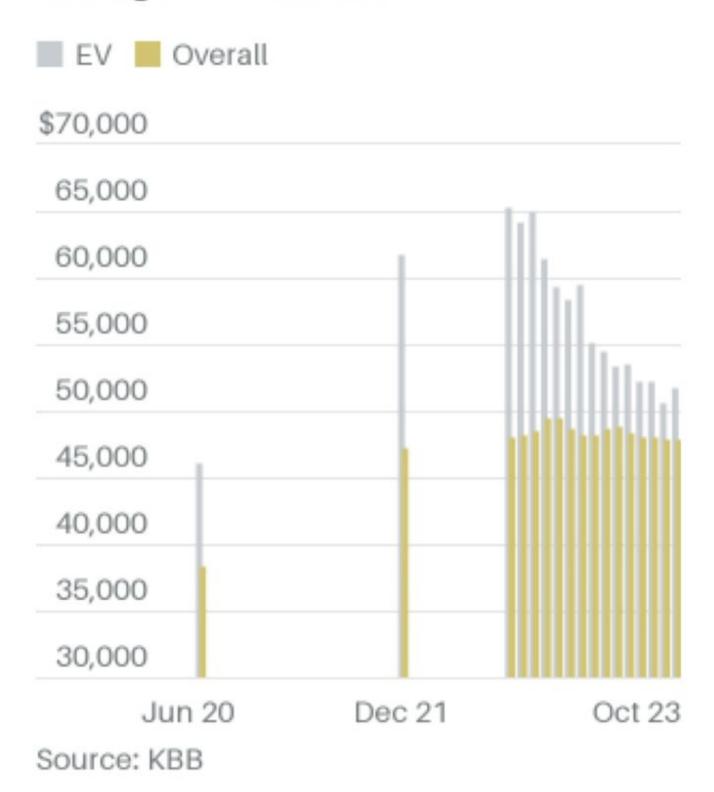
- There are over 700 public charging stations with over 2000 ports in CT, per the Department of Energy for the roughly 35,000 EVs, of which about 23,000 are fully electric. (And, yes, we know that vehicles transiting the state need to charge as well.) But, we're not starting from a bad place. The number of chargers needs to grow along with the increase in EV adoption, and the chargers have to be available throughout the state.
- The federal Infrastructure and Jobs Act was passed about 2 years ago. Between the federal funds and state matching funds, there will be over \$60 million invested in public EV charging stations. There have been no shovels in the dirt as yet, as the process took a while to get finalized. DOT expects installations to begin in 2024.

- There are incentives for the purchase and installation of EV chargers for both residential and commercial customers, developed by PURA and available through Eversource and United Illuminating. Some of the municipal utilities are offering incentives, as well.
- EV chargers are eligible for grants from the pool of Volkswagen "dieselgate" settlement funds.

EV Costs

• It is true that the purchase price of an EV is higher than a comparable internal combustion (ICE) vehicle. But it's not that much higher, at least according to recent data published by the Kelly Blue Book:

EV Price War Drives Costs Toward The Average Vehicle Price



These prices do not take into account incentives. At the present moment, assuming all qualifications are met, a buyer

of a new electric vehicle can get a \$7500 federal incentive and a \$2250 CT incentive. CT also offers a higher incentive for lower income buyers. See our <u>incentives</u> page for more detail.

- Including operating and maintenance costs, in other words, the total cost of ownership, EVs are more economical relative to ICE. According to the Natural Resources Defense Council: "Bottom line: You can bank on saving across the life of your electric vehicle." According to Money Magazine: "Upfront costs may be higher for EVs, but these cars are also much cheaper to operate and maintain – and the savings can add up. Over the life of your car, you will often spend less by buying electric."
- EV prices will definitely come down going forward. The technology continues to advance across the board, but two reasons in particular are battery costs and scale.
 - Bloomberg New Energy Finance states, "BNEF expects average battery pack prices to drop again next year, reaching \$133/kWh (in real 2023 dollars). Technological innovation and manufacturing improvement should drive further declines in battery pack prices in the coming years, to \$113/kWh in 2025 and \$80/kWh in 2030." \$100 per kWh is considered cost-parity with ICE.
 - Outside of Tesla, none of the manufacturers have thus far fully benefited from scale economics. That will change. These proposed regulations will accelerate that change.

Flexibility

Moving to EVs, let alone decarbonizing the economy overall, involves a complicated policy landscape at the federal, state, and even municipal level. Everyone recognizes this. In fact, in the FAQ document prepared by DEEP, it is stated, "If we get to a point where it appears that the technology or the infrastructure deployment is such that we would not be able to meet the standards, the standards will change to help suit our needs. This has happened on several occasions in the past with the California standards."

The vision of a hellscape where many cannot afford a car, and those that can will get stuck is simply not going to happen.

We would like to call out a very good myth vs reality opinion piece published in <u>CT News Junkie</u>, written by Rep. Christine Palm.

You Can Help

Without these regulations, we are back to a world where we really do have no plan, where we are back to passing nonbinding resolutions that don't deliver results.

You can help. Reach out to your legislator and tell them you support adoption of ACC II.

The big environmental advocacy groups, such as Save the Sound, CT League of Conservation Voters, and the Sierra Club are telling folks to reach out to Democrats since it is assumed there will be no Republican support and the Dems control the legislative agenda. We would encourage contacting your legislator regardless of party. CT participation in the original California standards had near-unanimous bipartisan support. There was some Republican support for these latest regs. It is unfortunate that clean vehicles and the environment have become part of the culture war.

Policy Matters

As a closing note, Bloomberg New Energy Finance reported this week that the Inflation Reduction Act is responsible for about \$100 billion of newly announced investments in EV and battery plants. ACC II is complementary policy that will enable manufacturers to scale more quickly and for consumers to make use of the output of these new manufacturing facilities.

CT air quality is not in compliance with federal standards. Electrifying transportation is the easiest way for us to get there. If these regulations ultimately do not get enacted, the way forward will be harder, and in all likelihood, we will face a future remain out of compliance indefinitely.

EV Club CT at Tesla Cybertruck Reveal Event

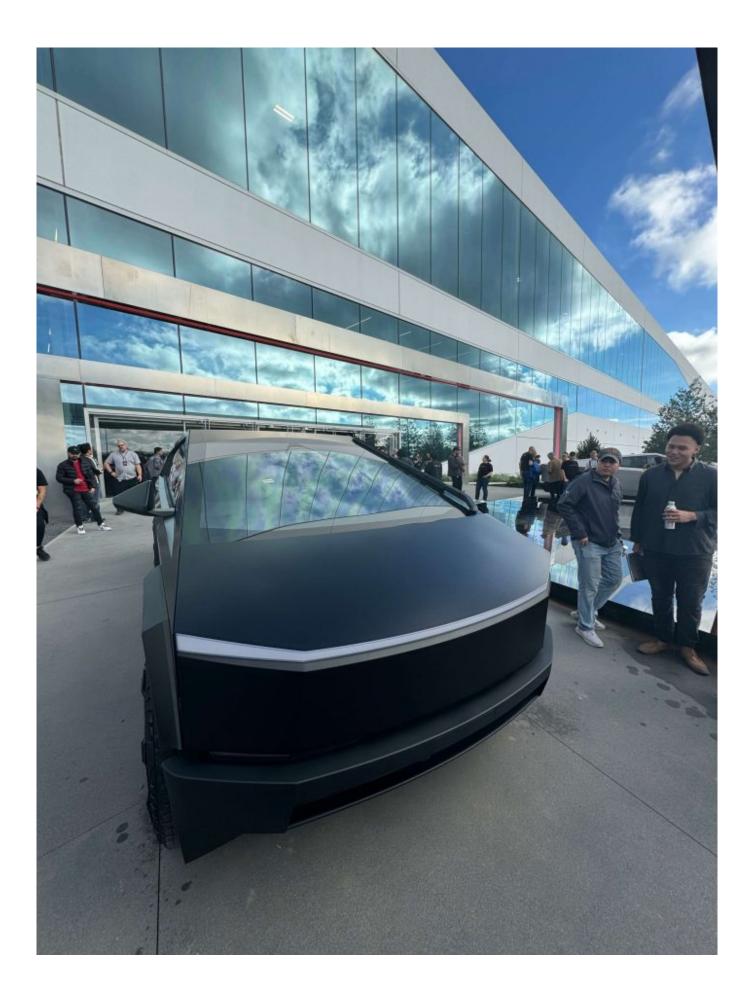
Tesla Delivers First Cybertrucks

Bruce Becker, sustainable architect and senior correspondent of the EV Club of CT was an invitee to the Cybertruck reveal event in Austin, Texas and has sent some photos our way.

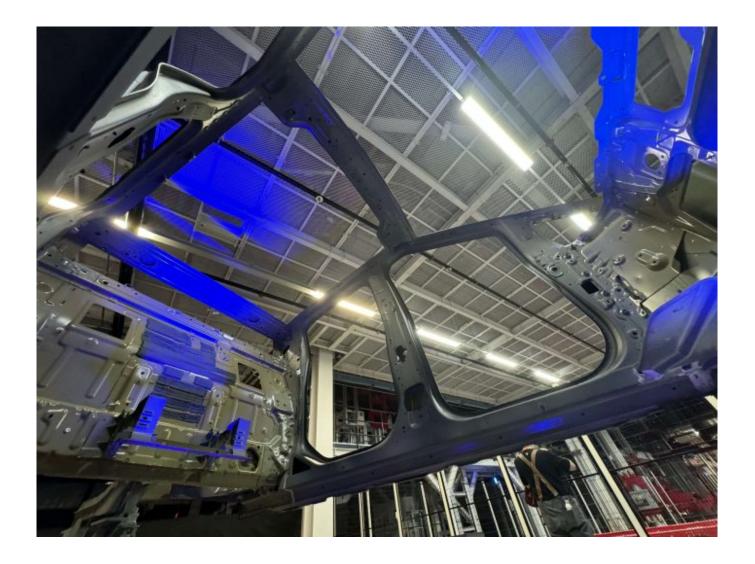
Tesla made a small number of deliveries today. We don't know if any of the CTs are destined for CT. The Cybertruck and its distinctive, angular, polarizing design were originally teased in 2019. Production is now beginning in small quantities. Elon Musk stated in the most recent earnings call in October that the vehicle presents a manufacturing challenge with its flat, stainless steel panels and unique platform. Tesla reports plans to scale to 250,000 by 2025. Orders are now being taken with a \$250 refundable deposit. Pricing was posted today in the Tesla configurator. The vehicle comes in 3 trim levels, starting at \$60,990 (RWD, 250 miles), \$79,990 (AWD, 340 miles), and the "Cyberbeast"\$99,990 (AWD, 320 miles, 0-60 in 2.6 seconds).

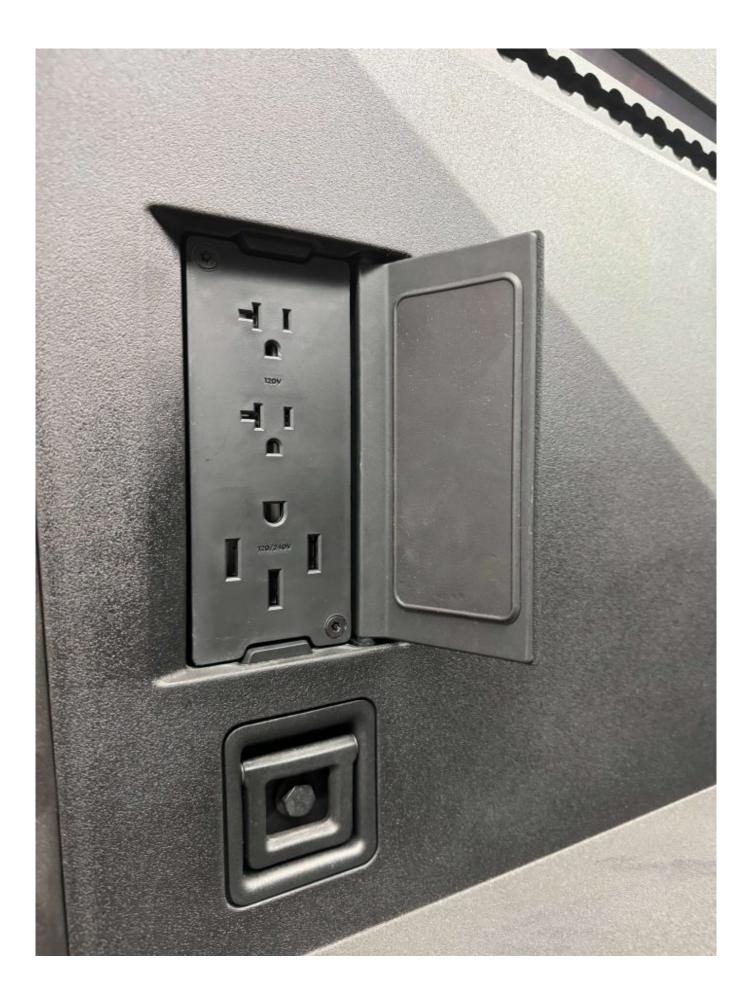
The Cybertruck is Tesla's first high voltage vehicle (800-volt architecture), so charging should be extremely fast. It also has a plugout feature to power a home or another vehicle. We will keep a lookout for an appearance at the Tesla facilities in Milford or Uncasville.

At this time, the Cybertruck is not listed as being eligible for the federal incentive. Mostly, this is irrelevant at present since few will be placed in service this year. However, the vehicle is manufactured in Austin, Texas and it uses the 4680 battery cells made at the same plant, so it is likely to qualify. Also, you will notice that the price of the middle trim level is conveniently set at \$79,990, or \$10 below the cap in the Inflation Reduction Act for light trucks. Taking this into account, it may be just a matter of time until the vehicle is officially declared eligible. (The lowest-priced trim level will not be delivered until 2025 at the earliest.)











Rivian CT Service Center Moving Forward

Photo above is a Rivian R1S from the EV Club EV Showcase Event at the Hotel Marcel in New Haven

Rivian Fends Off Dealership Lawsuit

The electric vehicle manufacturer, Rivian, which currently produces the fully electric R1T pickup truck and R1S sport utility vehicle, is finally able to move forward with its proposed Connecticut service center. The Town of Shelton originally granted Rivian an approval to build a service and delivery center at 2 Mountain View Drive in October 2022. T D Properties, owner of 329 Bridgeport Avenue, Shelton, along with Mario D'Addario Buick, Inc., a dealership that does business from that premises, sued Shelton to stop the service center.

The Usual Dealership Obstruction Playbook

We've seen this movie before. When a company that employs a direct sales model seeks to open a service center, the dealerships do all they can, including going to court, to obstruct it. Direct sales is not legal in CT and the dealers further attempt to make it as inconvenient to service the vehicles as it is to buy them. In so doing, the dealers seek to restrict competition and consumer choice.

In the case of East Hartford, the dealers successfully bullied the city into rescinding an already granted permit for Tesla to build a service center. The dealers showed up in force for a hearing regarding a proposed Tesla service center in South Windsor, and the town did not grant the permit. (Tesla is now building a large sales and service center just over the state line in MA, and is building a sales and delivery center on tribal land in <u>Uncasville</u>.)

Shelton and Rivian fought the lawsuit and won every ruling. The case has been extensively litigated with numerous motions filed, along with an appeal. The court gave a final ruling denying the plaintiff's appeal on October 18th. This is the case detail page of the <u>court docket</u>.

Under Construction

Rivian has moved quickly to break ground. Originally, it had hoped to open its doors in the summer of this year. Starting around now, an optimistic time frame would be the second quarter of 2024. When we have more definitive information, we will provide an update.

We look forward to welcoming Rivian to Connecticut!

First Tesla Magic Dock in CT

Enfield is Host to First CT Magic Dock Superchargers

The first CT Magic Dock chargers come to Enfield, located in Freshwater Commons, 65 Palomba Drive. This is off Route 190, just east of I-91.

There are 12 superchargers, all equipped with the Magic Dock adaptor that enables EVs using CCS connectors to charge. They are 250 kW units, V3 design. If you see an EV straddling 2 spaces, it doesn't mean it's an anti-Tesla thing. The V3 chargers have relatively short cords that create challenges for some EVs and may cause them to angle park.

If you zoom in really closely on the photo above, you can see the adapter where the cord connects to the unit. A close-up photo and more detail about how these adaptors work can be found in our <u>earlier post</u>.

Are You Ready for a Transfer?

IRA Incentive Update - Transfer Provision Goes Into Effect in January

A Tax Credit Becomes a Point of Sale Rebate

The transfer provision of the federal IRA EV incentive is scheduled to go into effect in January. This provision meaningfully improves upon a tax credit:

- The incentive becomes a point of purchase rebate.
- It can be used by people even if they don't have the tax liability to be able to use a tax credit.

The IRS published a draft of its rulemaking on October 6 and plans to issue final rules shortly. Much of the rulemaking has to do with implementation details. This is a summary:

- The IRS will be launching a new website called IRS Energy Credits Online and dealers must register with this site to participate. Consumers can only obtain the incentive from a registered dealer.
- Participating dealers will use the site to verify a vehicle's incentive eligibility, register the sale, and indicate whether (or not) the buyer elected the transfer option.
- For buyers choosing to transfer the credit to the seller, the dealer must reduce the invoice amount by the full amount of the available incentive.

- Dealers must provide written documentation to the customer regarding the vehicle's incentive eligibility.
- Once the sale is registered, the IRS will issue payment to the dealer within 72 hours. (When the transfer was initially announced, dealers were concerned about the potential to incur significant carrying charges.)
- Dealers get repaid whether or not they have tax liability to absorb a tax credit.
- Consumers must attest in writing that they are eligible for the incentive. This mainly applies to the income caps. A buyer must fall within the caps for either the year they make the purchase or the prior year. If that turns out not to be the case, the consumer must repay the incentive to the IRS.
- Incentive payments do not count as income for either the dealer or the consumer.

This is a link to the IRS press release.

Eversource/UI Charging Incentives — Program Updates

New Webinars Announced for Program Updates

The incentive program from the Public Utilities Regulatory Authority (PURA) that is administered through the state's two largest utilities, Eversource and United Illuminating gets evaluated every year. Since the program has started, there have been some modifications introduced at the beginning of each year. Eversource and UI have announced webinars to explain the changes for 2024. The webinar for residential is on Wednesday, Oct. 25th, and for commercial, it is Monday, Oct. 30th. Registration links below.

• EV charging programs for single family homes

- Wednesday, October 25th from 1:00 2:00 p.m.
- Register here
- EV charging programs for business, communities and large multifamily residences
 - Monday, October 30th from 1:00 2:00 p.m.
 - Register today

The residential program offers an incentive of up to \$500 toward the purchase of a 240 volt charging station and up to \$500 toward offsetting the installation cost involved in bringing a 240 volt line from the panel to the garage. There is also a managed charging component, which pays consumers for allowing the utility to throttle charging during peak demand periods. If one takes the incentive for the hardware, participation in the managed charging is mandatory. It is most likely that any upcoming changes will have to do with the managed charging component of the program. It is possible there will be some new approved equipment.